



MINISTRY OF HUMAN RESOURCES

PREVENTION, COMPLIANCE AND ENFORCEMENT BRANCH

1998/1999 Fiscal Year Report

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"QUALITY SERVICE WITH INTEGRITY"

PREVENTION, COMPLIANCE AND ENFORCEMENT BRANCH

MISSION

"QUALITY SERVICE WITH INTEGRITY"

The Prevention, Compliance and Enforcement Branch is dedicated to:

- *preserving the integrity of the BC Benefits Programs;*
- *working in **partnership** with other income support staff to ensure the highest level of compliance with the BC Benefits Acts, the Disability Benefits Program Act, and Regulations; and*
- *the prevention, detection and prosecution of fraud.*

VISION

*We will maintain **PUBLIC CONFIDENCE** in the BC Benefits Programs by **reducing fraud and abuse** by means of comprehensive prevention initiatives, balanced by a strong enforcement program.*

PRINCIPLES

- *To promote an understanding that the true measure of effectiveness is the absence of fraud, not the visible evidence of after-the-fact enforcement actions.*
- *To secure the co-operation and support of other ministry staff by the development of a **joint partnership** commitment to prevention, detection and prosecution of fraud.*
- *To maintain public confidence in the BC Benefits Programs by demonstrating a high quality of professional service and respecting the rights and freedoms of each individual.*
- *To provide legitimacy to those recipients truly in need of assistance.*
- *To maximize individual and collective skills within the Prevention, Compliance and Enforcement Branch by promoting a sense of individual worth and a positive work environment.*
- *To maximize the potential of all human resources within the branch by establishing ongoing training and educational programs.*
- *To achieve all of the above in a cost-effective manner.*

INTRODUCTION

*The Prevention, Compliance and Enforcement (PCE) Branch was established in 1994 in order to combat fraud and abuse, and to increase **PUBLIC CONFIDENCE** in the BC Benefits Programs.*

The PCE Branch consists of three distinct components:

Prevention Program

Compliance Program

Enforcement Program

*The branch is dedicated to working in **PARTNERSHIP** with other ministry staff in pursuing a **BALANCE** between **PREVENTION** and **ENFORCEMENT** to ensure a high level of **COMPLIANCE** with the BC Benefits Acts, the Disability Benefits Program Act, and Regulations.*

PCE BRANCH FISCAL PERFORMANCE SUMMARY**PREVENTION**

<i>EDP Program</i>	<i>\$ 27,363,555</i>
<i>Data Matching (Cost Avoidance)</i>	<i>\$ 245,000</i>
<i>Warrant Disentitlement</i>	<i>\$ 1,482,000</i>
<i>Fraud Disqualification</i>	<i>\$ 1,018,500</i>

<i>Total Prevention Savings</i>	<i>\$ 30,109,055</i>
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COMPLIANCE

<i>Canada Pension Plan (Phase 4)</i>	<i>\$ 9,370,000</i>
<i>Other Compliance Initiatives</i>	<i>\$ 4,800,000</i>
<i>Summer Compliance Program</i>	<i>\$ 6,250,000</i>

<i>Total Compliance Savings</i>	<i>\$ 20,420,000</i>
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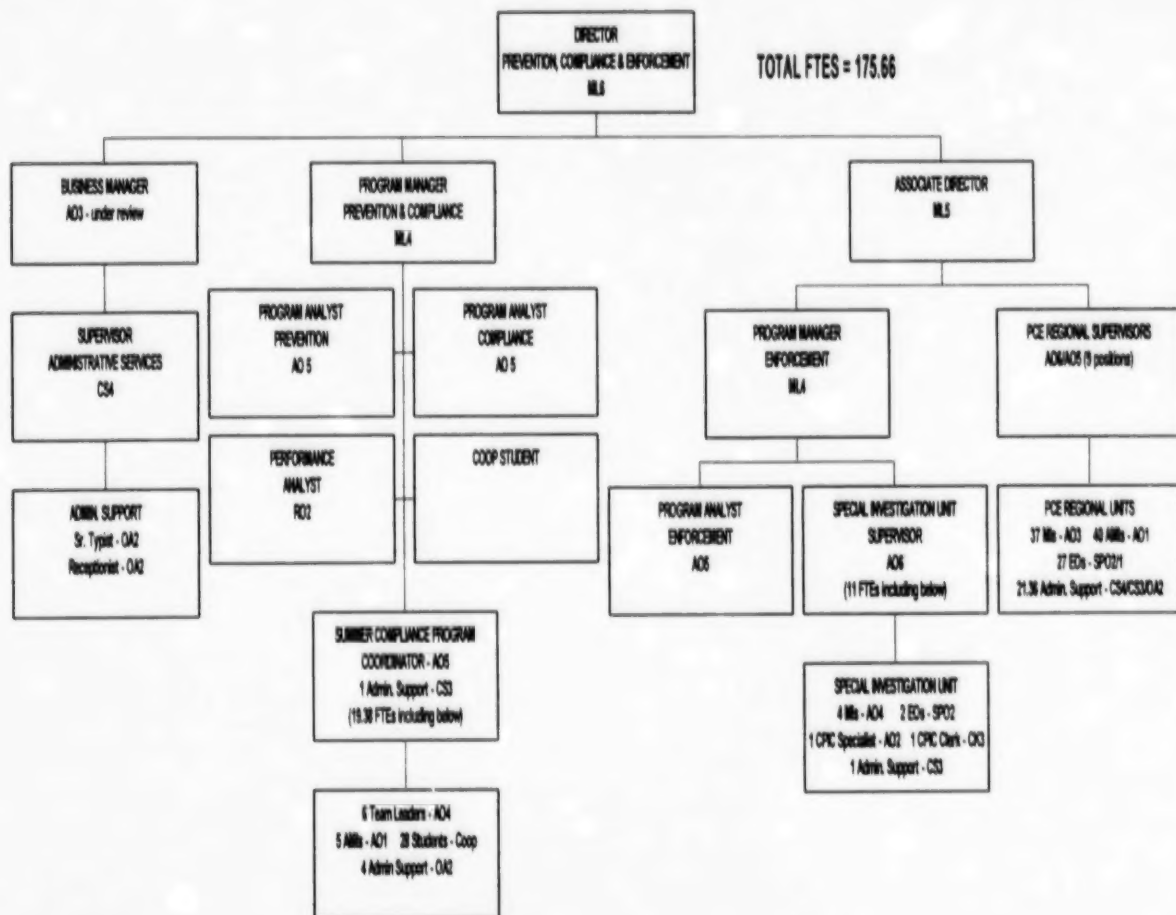
ENFORCEMENT

<i>Benefits Stopped</i>	<i>\$ 1,886,080</i>
<i>Repayments Taken</i>	<i>\$ 16,606,675</i>
<i>Compensation Orders</i>	<i>\$ 2,198,153</i>
<i>Civil Court Orders</i>	<i>\$ 145,349</i>

<i>Total Enforcement Savings</i>	<i>\$ 20,836,257</i>
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<i>TOTAL PCE FISCAL SAVINGS</i>	<i>\$ 71,365,312</i>
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PREVENTION, COMPLIANCE AND ENFORCEMENT BRANCH ORGANIZATION



MI = Ministry Investigator
 AMI = Assistant Ministry Investigator
 EO = Eligibility Officer

(PCEORG DEC98)

TOTAL PCE STAFF COMPLEMENT

<i>TOTAL PCE BRANCH HQ & SIU</i>	<i>25.63</i>
<i>SUMMER COMPLIANCE PROGRAM</i>	<i>19.38</i>
<i>TOTAL PCE UNITS</i>	<i>130.66</i>
<i>TOTAL PCE ALLOCATION</i>	<i>175.67</i>

PCE BRANCH HEADQUARTERS

<i>Director</i>	<i>1</i>	<i>ML6</i>
<i>Associate Director</i>	<i>1</i>	<i>ML5</i>
<i>Program Manager, Enforcement</i>	<i>1</i>	<i>ML4</i>
<i>Program Manager, Prevention/Compliance</i>	<i>1</i>	<i>ML4</i>
<i>Program Analyst, Enforcement</i>	<i>1</i>	<i>AO5</i>
<i>Program Analyst, Prevention</i>	<i>1</i>	<i>AO5</i>
<i>Program Analyst, Compliance</i>	<i>1</i>	<i>AO5</i>
<i>Performance Analyst</i>	<i>1</i>	<i>RO2</i>
<i>BC Benefits/Restraint Position</i>	<i>1.30</i>	<i>AO4</i>
<i>Child Care</i>	<i>2</i>	<i>AO4</i>
<i>Business Manager (under review)</i>	<i>1</i>	<i>AO3</i>
<i>Secretary to Director/SAS</i>	<i>1</i>	<i>CS4</i>
<i>Admin. Support</i>	<i>2</i>	<i>OA2</i>
<i>Coop Student</i>	<i>.33</i>	
<i>TOTAL</i>	<i>15.63</i>	

SPECIAL INVESTIGATION UNIT

<i>Supervisor</i>	<i>1</i>	<i>AO6</i>
<i>Ministry Investigators</i>	<i>4</i>	<i>AO4</i>
<i>Eligibility Officers</i>	<i>2</i>	<i>SPO2</i>
<i>CPIC/Warrant Sr. Specialist</i>	<i>1</i>	<i>Under review</i>
<i>CPIC/Warrant Clerk</i>	<i>1</i>	<i>CK3</i>
<i>Admin Support</i>	<i>1</i>	<i>CS3</i>
<i>TOTAL</i>	<i>10.0</i>	

SUMMER COMPLIANCE PROGRAM

<i>Coordinator</i>	<i>1</i>	<i>AO5</i>
<i>Team Leaders 6 @ .75</i>	<i>4.5</i>	<i>AO4</i>
<i>Assistant Ministry Investigators 5 @ .5</i>	<i>2.5</i>	<i>AO1</i>
<i>Coop Students 28 @ .33</i>	<i>9.24</i>	<i>Coop</i>
<i>Admin Support 3 @ .75 + 1</i>	<i>3.25</i>	<i>CS3/OA2</i>
<i>TOTAL FTEs</i>	<i>20.49</i>	
<i>HQ FTE underburn used</i>	<i>-1.11</i>	
<i>TOTAL FTE ALLOCATION</i>	<i>19.38</i>	

PCE REGIONAL UNITS

	<i>SUP</i>	<i>MI</i>	<i>AMI</i>	<i>EO</i>	<i>ADMIN</i>	<i>TOTAL</i>
<i>Region 0E1</i>	<i>1</i>	<i>6</i>	<i>6</i> <i>(two .5)</i>	<i>3</i>	<i>3</i>	<i>19.0</i>
<i>Region 0E2</i>	<i>1</i>	<i>3</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>13.0</i>
<i>Region 0E3</i>	<i>1</i>	<i>4</i>	<i>5</i>	<i>3</i>	<i>2</i> <i>(two .5)</i>	<i>15.0</i>
<i>Region 0E4</i>	<i>1</i>	<i>4</i>	<i>5</i>	<i>3</i>	<i>2</i>	<i>15.0</i>
<i>Region 0E5</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>3</i>	<i>2.59</i>	<i>13.59</i>
<i>Region 0E6</i>	<i>1</i>	<i>4</i>	<i>3</i>	<i>3</i>	<i>2.59</i>	<i>13.59</i>
<i>Region 0E7</i>	<i>1</i>	<i>5</i>	<i>4</i>	<i>3</i>	<i>2.34</i>	<i>15.34</i>
<i>Region 0E8</i>	<i>1</i>	<i>4</i>	<i>5</i>	<i>3</i>	<i>3</i>	<i>16.0</i>
<i>Region 0E9</i>	<i>1</i>	<i>3</i>	<i>5</i>	<i>3</i>	<i>1.84</i>	<i>13.84</i>
<i>TOTAL STAFF</i>	<i>9</i>	<i>37</i>	<i>40</i>	<i>27</i>	<i>21.36</i>	<i>134.36</i>
<i>MGMT. REDUCT 1997 & 1998 fy</i>						<i>- 3.70</i>
<i>TOTAL FTE ALLOCATION</i>						<i>130.66</i>

SUP = REGIONAL SUPERVISOR
MI = MINISTRY INVESTIGATOR
AMI = ASSISTANT MINISTRY INVESTIGATOR
EO = ELIGIBILITY OFFICER
ADMIN = ADMINISTRATIVE SUPPORT

PREVENTION

The Prevention Program consists of the following elements:

- ***The Early Detection and Prevention (EDP) Program;***
- ***Information Sharing (Data Matching);***
- ***Prevention of Unwarranted Expenditures Related to Federal Programs;***
- ***The Identification Guide;***
- ***Disentitlement for Outstanding Warrants; and***
- ***Administrative Disqualification for Convicted or Admitted Fraud.***

*The **objective** of the Prevention Program is twofold:*

1. *to prevent and deter fraud and abuse, in a proactive manner, by introducing activities and controls designed to ensure that an individual or group is **unable** to follow through on any intention to commit **fraud** because of the **checks** and **balances** built into the eligibility determination process; and*
2. *to develop recommendations that allow the ministry to adopt procedures and make systems changes that will prevent the overpayment of scarce ministry resources to persons who are not eligible or who have not accessed all other sources of income.*

Definitions:

- *PREVENTION - Preventive activities and controls are designed to ensure that an individual is **unable** to follow through on any intention to commit fraud because of the **checks** and **balances** built into the eligibility process.*
- *DETERRENCE - Deterrent activities and controls are designed so that clients **choose** not to commit fraud. Data matching deters attempts to claim duplicate benefits, as there is an **expectation** that they will be discovered.*

THE EARLY DETECTION AND PREVENTION (EDP) PROGRAM

*The **objective** of the EDP program is to detect and prevent fraud, by selecting categories of high-risk clients during the application/intake process, so that assistance is only issued to eligible applicants.*

The EDP program commenced operations in 1995, with the PCE Branch being responsible for research, development, supervision and testing of the program in the initial stages. Six pilot sites were established across the province and were fully operational from January until June 1996. Later in 1996, the program was expanded to include 40 EDP district office sites, and the number of Verification Officers (VOs) was increased from 27 to 61. In April of 1998, Treasury Board approved an additional 18 VO positions and another six positions (rewarding excellence) were approved and effective in October 1998 for a total of 85 Verification Officer positions in the province.

The EDP program is now based within benefit district offices under the direction of nine Regional Executive Officers. The Verification Officers (VOs) report to their respective District Supervisors. Each region has an EDP Co-ordinator who specializes in EDP techniques, attends scheduled provincial EDP Co-ordinators' meetings, monitors statistical reports, and organizes regular meetings with the VOs.

The Prevention, Compliance and Enforcement Branch continues to play a role in the EDP Program. PCE has responsibility for the development of the EDP policy, program monitoring and being available as a resource of information and policy clarification.

EDP Statistical Summary:

*For each file that the VO reviews, an electronic **eligibility review** is completed. The review is sent to the intake or caseload worker for implementation of the recommendation. While the primary focus is on pre-eligibility investigations, some cases that have been previously assessed as eligible may be referred to the VO for an in-depth assessment. All file reviews are monitored and analyzed to determine the effectiveness of the program.*

*For the 1998/99 fiscal year, **\$27.4M in savings** was recorded, exceeding the established goal of **\$20M**. These savings were achieved through the efforts of both Financial Assistance Workers (FAWs) and Verification Officers (VOs) as well as other contributing staff members.*

Pre-Eligibility Reviews*

<i>Reviews Completed</i>	<i>32,801</i>	<i>Total Savings</i>	<i>\$21,801,775</i>
<i>Reviews per VO/mo</i>	<i>32</i>	<i>Savings per VO/mo</i>	<i>\$ 21,374</i>
<i>Home Visits</i>	<i>8,063</i>	<i>Home Visits per VO/mo</i>	<i>8</i>
<i>Impact Rate</i>	<i>53%</i>		

** Initiative 9501 reviews are completed prior to any assistance being granted to a client.*

Existing File Reviews*

<i>Reviews Completed</i>	<i>7,715</i>	<i>Total Savings</i>	<i>\$ 5,561,780</i>
<i>Reviews per VO/mo</i>	<i>8</i>	<i>Savings per VO/mo</i>	<i>\$ 5,453</i>
<i>Home Visits</i>	<i>3,882</i>	<i>Home Visits per VO/mo</i>	<i>4</i>
<i>Impact Rate</i>	<i>53%</i>		

** Initiative 9610 reviews are completed on BC Benefits files where assistance is currently in pay.*

Combined Total*

<i>Reviews Completed</i>	<i>40,516</i>	<i>Total Savings</i>	<i>\$27,363,555</i>
<i>Reviews per VO/mo</i>	<i>40</i>	<i>Savings per VO/mo</i>	<i>\$ 26,827</i>
<i>Home Visits</i>	<i>11,945</i>	<i>Home Visits per VO/mo</i>	<i>12</i>
<i>Impact Rate</i>	<i>53%</i>		

** Initiatives 9501 and 9610 combined.*

INFORMATION SHARING (DATA MATCHING)

*Data matching is the process of **comparing** the names of clients receiving ministry assistance against names held by federal or provincial governments, ministries or agencies. The match may be completed by electronic data processing procedures or by manually comparing common claimants.*

*The process of data matching was introduced in 1994 and is an **effective and cost-efficient** means of detecting and deterring fraud and identifying clients who:*

- are claiming duplicate benefits for which they are not entitled;*
- are not declaring other sources of income; or*
- are eligible for benefits from other federal or provincial benefit programs.*

*A comparison with other provincial social welfare programs identifies those clients who are claiming benefits from both programs at the same time. The first information sharing (data matching) identified all long-term dual claimants, while subsequent monthly matches identify only short-term dual claimants. The cost savings achieved by continuing the matching process includes any initial savings generated by the match as a cost avoidance factor. The **cost avoidance factor** has been assessed at **\$245,000 annually** for the existing monthly data matches.*

Continued matches have both a deterrent and preventive effect. Persons who are considering an attempt to commit fraud are deterred by the expectation they will be discovered, and regular matches prevent any long-term losses.

Ministry clients are always advised in advance when new matches are developed.

Continuing Data Matches:

Regular monthly data matches are conducted with Alberta, Saskatchewan and Manitoba Social Services Agencies.

New Data Match: Student Loans

An agreement to exchange information between Ministry of Advanced Education, Training and Technology (MAETT) and the Ministry of Human Resources was signed on September 20, 1996.

Early in 1999, a match was made between the BC Student Financial Assistance program and our Ministry. From this match, 5,261 clients were identified as receiving student loans while in receipt of BC Benefits. Reports of the common claimants were distributed to PCE compliance staff in February 1999.

Early results: 452 files were reviewed in February and March, with 41% of the files having an impact recorded. Estimated savings are \$476,064 in reduced benefits/file closures, and \$197,346 in signed repayment agreements.

Regular matching between MAETT and the ministry will prevent any long-term fraud and reduce the frequency of clients incurring overpayments of benefits.

Matches Under Development:

	<i>Purpose</i>	<i>Frequency</i>	<i>When</i>
<i>Ontario Social Services</i>	<i>Identify persons claiming benefits in both jurisdictions.</i>	<i>Monthly</i>	<i>Under Development</i>
<i>Ministry of Forests, Forest Renewal BC</i>	<i>Identify persons in receipt of two provincial sources of funding.</i>	<i>Monthly</i>	<i>Under Development</i>
<i>Revenue Canada</i>	<i>Identify persons in receipt of BC Benefits not declaring all their income.</i>	<i>Annually</i>	<i>Under further Development</i>

PREVENTION OF UNWARRANTED EXPENDITURES RELATED TO FEDERAL PROGRAMS

A data match with Human Resources Development Canada's (HRDC) Canada Pension Plan (CPP) Program revealed large numbers of clients who were receiving both CPP and BC Benefits, or who were potentially eligible for CPP benefits but who had not made an application for the federal program. This foregoing of income from another source is very costly for the ministry.

*The "COMPLIANCE" portion of this report has further details on the data match. Refer to section entitled: **1. Canada Pension Plan (CPP) Project.***

A prevention initiative with a twofold objective has been developed:

- 1. conduct monthly data matches with HRDC to immediately identify all persons collecting dual payments, thereby preventing any opportunity for long-term fraud; and*
- 2. adopt procedures and make systems changes that will prevent overpayments to persons collecting or eligible for federal program benefits.*

Dual Claimants:

***Dual claimants** are persons collecting assistance from both federal and provincial programs without declaring the additional income to the Ministry of Human Resources (MHR). A data match with CPP Disability was piloted in 1996, and regular data matches will be conducted in the 1999/2000 fiscal year. Regular matching between HRDC CPP and MHR will prevent the loss of funds due to dual claims.*

Technology Improvements - MIS Enhancement:

The utilization of technology to enhance the Ministry Information System (MIS) by introducing compliance checks, coupled with conducting dual claimant data matches, will result in significant cost-avoidance savings.

- **Application process:** *Enhance the MIS by developing an alert system, which requires follow-up action by the FAW when certain criteria are met (e.g., the client's age is 60-64; the client is widowed, etc.).*
- **Caseload Compliance:** *Enhance MIS reports to alert the FAW to the same situations as in the example above, but for the existing caseload. This would arise due to changes made to an existing case (e.g., turning age 60).*
- **Special Needs and Persons with Disabilities:** *Develop a process, in accordance with the current information-sharing agreement with HRDC, to determine if the client is eligible for a CPP Disability Pension and, where applicable, assist the client to apply. There are no systems issues, training issues or costs associated with this enhancement.*

Policy and Practice Issues:

- **Policy:** *The BC Benefits Acts and Regulations currently require a client to exhaust all other sources of income. In August 1998, policy was strengthened to clearly require application for all available federal program benefits; i.e., CPP Retirement Benefits, CPP Disability Benefits, CPP Survivor's Benefits.*
- **Legislation:** *In the fall of 1999, policy was supported by legislative changes specifically requiring eligible clients:*
 - *to apply for a pension or other payments under CPP and*
 - *to complete a 'consent to deduct and payment form' as a condition of eligibility.*
- **Training:** *Training material was provided to the EOs during the compliance projects. The training material would be updated and provided to the FAWs, in order that they fully understand eligibility requirements for federal programs. Training costs should not exceed \$50,000 (estimate was based on Family Bonus training).*
- **Service to Clients:** *All offices now have a supply of applications for "other" programs and, where appropriate, clients can be assisted in applying to other programs.*

THE IDENTIFICATION GUIDE

The ministry's ability to identify BC Benefits clients accurately is critical to the determination of eligibility.

The ability to detect forged or replicated documents is central to the prevention of multiple identity fraud.

District offices are provided with an "Identification Guide" that contains a copy of original documents against which suspect forged or replicated documents can be compared. The comparison assists in the detection of false identity documents, which in turn prevents unwarranted expenditures of scarce resources.

There has been a continued reduction in the number of dual claimant and false identification fraud referrals since fiscal year 1994/95.

% of Total Referrals for Fiscal Years:

Fraud Type	1994/95	1995/96	1996/97	1997/98	1998/99
<i>Duplicate assistance</i>	5.3%	5.1%	3.2%	2.2%	1.5%
<i>False identification</i>	2.3%	2.4%	1.4%	1.3%	1.0%

The Identification Guide has been provided to other agencies and jurisdictions across Canada and continues to be a useful fraud prevention tool.

Effective the fall of 1999, Human Resources Development Canada, Investigations and Control Directorate, indicated a willingness to take over the responsibility, production and control of the Identification Guide.

DISENTITLEMENT FOR OUTSTANDING WARRANTS

Section 12 of the BC Benefits (Income Assistance) Regulation; Section 9 of the BC Benefits (Youth Works) Regulation; and Section 10 of the Disability Benefits Program Regulation, authorize the disentitlement of assistance for:

Any person in a family unit, excluding children, who has an outstanding warrant for an "indictable offence" or an outstanding warrant for arrest under the Immigration Act (Canada).

Rationale:

- *A warrant is, in effect, an announcement by the court that a person is to be arrested and brought before the court.*
- *The ministry has been criticized for funding fugitive flights from justice, particularly those persons who move to British Columbia (BC) to avoid prosecution in another province.*
- *The new regulations deny eligibility for assistance for **indictable offences**; i.e. murder, sexual assault, violence against women.*
- *A person denied eligibility for assistance can quickly resolve the outstanding warrant issue by:*
 - *attending a police station for arrest and release; or*
 - *waiving the charge to BC for a guilty plea; or*
 - *returning to the original jurisdiction.*
- *A legislative change in November 1998 introduced a one-time only transportation allowance to assist affected clients to attend the nearest jurisdiction that issued the warrant leading to ineligibility for benefits.*
- *Assistance may be issued when a person confirms having taken steps to deal with the warrant by producing a:*
 - *signed recognizance; or*
 - *request for waiver of charges; or*
 - *bail document.*

Deterrence:

- *There will be a significant **deterrent effect**.*
- *Wanted persons from other provinces will not flee to BC.*
- *Wanted persons within BC will know that they must deal with outstanding warrants for indictable offences before applying for assistance.*

Special Project:

In July 1998, a small project was undertaken to attempt to identify those cases where clients receiving BC Benefits did not identify themselves as having an outstanding warrant.

The project selected three offices from three different regions on the Lower Mainland. All cases that applied for benefits in June 1998 were reviewed. Those clients who self-identified an outstanding warrant were documented under the normal monthly reporting mechanism. Those cases that carried forward without a warrant check were listed and subsequently run against the CPIC database:

- *1,438 cases were searched.*
- *11% of the cases applying in June 1998 had an outstanding warrant*
- ***less than 2%** of the cases were identified during the application process*

The results from this one-time project indicate that for every client who self-identifies during the application process as having an outstanding indictable warrant, there are five others applying for and receiving benefits to which they are not entitled.

Analysis:

*Warrant checks were conducted primarily for applicants who **self-identified**, when asked if they had an outstanding warrant:*

- *9,759 warrants were checked between April 1998 and March 1999*
- *1,654 (17%) were identified as disentitled to benefits due to outstanding indictable warrants.*
- *The disentitlement affected 2,964 benefit months.*
- ***\$1,482,000 savings** were realized for fiscal year 1998/99
⇒ 2,964 months at \$500/month.*

ADMINISTRATIVE DISQUALIFICATION FOR CONVICTED OR ADMITTED FRAUD

Section 21 of the BC Benefits (Income Assistance) Regulation authorizes the disqualification of assistance to:

Any person in a family unit, excluding children, who has:

- a) been convicted of fraud or false or misleading representations in relation to receiving assistance, or*
- b) acknowledged in writing that they fraudulently obtained assistance to which they were not entitled, or*
- c) in lieu of written acknowledgement, received a court judgement in favour of the government in an action for debt caused by receiving assistance to which they were not entitled.*

*The **objective** of the disqualification of assistance is to introduce the concept of deterrence. Deterrent activities and controls are designed so that clients choose not to commit fraud as there is an **expectation** that they will be **discovered** and there will be a negative consequence.*

*The disqualification imposed is for **three (3) benefit months**. The client must be eligible for assistance in order to serve the disqualification period. A repayment agreement is also taken for any overpayment of funds to the client.*

In fiscal year 1998/99:

- *679 clients have been disqualified from receiving benefits and, of these:*
 - *480 persons either acknowledged in writing that they had obtained assistance to which they were not entitled, or were subject to a civil court judgement in favour of the ministry; and*
 - *199 persons were convicted of fraud.*
- ***\$1,018,500 estimated savings** (679 cases at \$500/mo for three months).*

PREVENTION FISCAL PERFORMANCE SUMMARY

<i>EDP Program</i>	<i>\$ 27,363,555</i>
<i>Data Matching (deterrence savings)</i>	<i>\$ 245,000</i>
<i>Warrant Disentitlement</i>	<i>\$ 1,482,000</i>
<i>Fraud Disqualification</i>	<i>\$ 1,018,500</i>

<i>Total Prevention Savings</i>	<i>\$30,109,055</i>
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COMPLIANCE

*The Compliance Program **objective** is to maintain **PUBLIC CONFIDENCE** in ministry BC Benefits Programs, by ensuring that scarce resources are directed to those individuals and families who are truly in need.*

The Compliance Program has two major components:

- 1. **Provincial and Regional Compliance projects** - carried out by the full-time equivalent (FTE) of 27 Eligibility Officers, who do not carry caseloads, but who accomplish the program objective by performing two separate but complementary functions:*

- conducting reviews of program areas susceptible to fraud or administrative error;*
- assisting clients to access other income, such as Canada Pension Plan benefits, which will reduce their dependency on BC Benefits support.*

The Eligibility Officers (EOs) report to PCE Regional Supervisors, and work out of 9 branch PCE offices, located throughout the province.

- 2. **Summer Compliance Program (SCP)** - managed by the SCP Program Co-ordinator. Co-op Program University students working as Program Officers carry out residency and identification checks on selected categories of clients. This program was piloted in 1995 as a Summer Compliance Project.*

The SCP has a permanent location in New Westminster, which serves the four Lower Mainland regions, and operates program sites on a rotational basis in the other 5 ministry regions.

Together, the two components of the Compliance Program ensure that those clients in receipt of BC Benefits are eligible for the benefits and assistance they receive.

PROVINCIAL AND REGIONAL COMPLIANCE PROJECTS:

Expected Outcomes:

The EOs provide the ministry with an audit review function independent of service delivery. In addition, they have a multifaceted impact with respect to cost savings and cost avoidance

<i>Deterrent Impact</i>	<i>Persons receiving assistance to which they are not entitled are identified, and overpayments are stopped. When a person is aware of being identified as abusing or defrauding the system, this acts as a deterrent to future abuse, as the person has an expectation of being discovered a second time.</i>
<i>Prevention Impact</i>	<i>Close examination of program areas that may be susceptible to fraud or abuse allows the ministry to adopt procedures and make systems changes that will prevent similar future abuse.</i>
<i>Case Closure</i>	<i>As a result of an eligibility review, benefits are stopped and savings are calculated based on the monthly amount previously paid.</i>
<i>Projected Savings</i>	<i>Ongoing monthly reductions are projected over 6.4 months, which is the average length of time a person receives assistance.</i>
<i>Benefits Decreased</i>	<i>Savings are equal to the reduction in the monthly benefits paid.</i>
<i>Impact Rate</i>	<i>The impact rate is shown as the percentage of the total reviews that resulted in a case closure, reduction in benefits, and/or a repayment of funds paid due to fraud or administrative error.</i>
<i>Overpayments</i>	<p><i>When an eligibility review determines that a person received benefits exceeding entitlement, the person must repay the ministry the amount of the overpayment. A person who remains eligible for assistance has a repayment amount deducted from ongoing monthly benefits.</i></p> <p><i>The amount deducted from a client's benefit cheque towards repayment of an overpayment debt is often small (the minimum is \$10 per month).</i></p> <p><i>Other benefits from taking a repayment agreement are:</i></p> <ul style="list-style-type: none"> <i>• the fraud activity is stopped;</i> <i>• the ongoing losses are stopped; and</i> <i>• the offender is deterred from future fraud by the expectation of discovery</i>

Project Development Process:

The reassessment of client eligibility may encompass a personal interview, confirmation of income and assets, confirmation of a person's identity, a home visit, and/or an analysis of information obtained from sources within or external to the ministry.

The project development process includes:

- *research, to identify a project or procedure that is susceptible to fraud or administrative error;*
- *development of working papers and project monitoring criteria;*
- *consultation with, and training for, EOs;*
- *a communications plan to inform senior headquarters and regional management;*
- *field work to carry out case reviews and to complete relevant data entry*
- *analysis of project data;*
- *development of recommendations to correct or prevent recurrence of problems identified;*
- *preparation of a report, detailing the work completed and the estimated savings to the ministry; and*
- *distribution of the report to senior management.*

1998/1999 Projects:**Canada Pension Plan (CPP) Project:**

During 1998/1999, EOs completed a project begun in 1995, reviewing 3,628 cases of persons with disabilities with known CPP contributions who were not receiving CPP income, and assisted these persons to make application for federal benefits. Federal intervention in the support system results in considerable, long-range savings to the ministry.

The project phase completed this year dealt with persons with disabilities who had met at least minimum CPP contributory requirements laid down in federal Bill C-57.

Due to the time required to process an application for federal benefits, clients were often deemed to be eligible for retroactive payments and may have received a lump-sum payment.

	<i>Ongoing Yearly Savings *</i>	<i>Repaid to MHR**</i>	<i>Total Savings</i>
CPP Project Final Phase (Phase 4)	\$1.87M	\$7.5M	\$9.37M

**CPP benefits continue in pay indefinitely. Accordingly, savings to the ministry occur over an extended period.*

***Repayments to the ministry are paid directly to the province from the federal government and consist of funds that clients were issued from the ministry during the CPP application process.*

Average savings per EO (CPP Project Phase 4)

\$347,037

Other Compliance Initiatives:

*In addition to the foregoing, EOs conducted a further 4,775 case reviews in local and ongoing projects, and in follow-up work to projects completed earlier. There were 1,506 cases impacted (cases closed or benefits reduced in 32% of cases reviewed), resulting in approximately **\$4.8 million in savings** to the ministry. One hundred and eighty-eight (188) cases were referred for investigation. Significant among these projects are the following:*

Coroner's Project:

*Reviews were completed on 358 cases where BC Benefits clients were identified as deceased, from information provided to the PCE Branch by the Coroner's Office. While district offices had dealt with many cases, there were 169 cases (a 47% impact) where benefits were terminated or reduced in accordance with new family sizes, as a result of PCE intervention. **This year, savings to the ministry totalled \$593,000.***

Lottery Project:

Periodic perusal of the Lottery Corporation of BC publication "Luck Magazine" results in identifying ministry clients who have failed to declare their winnings. This year, of the 152 files reviewed, benefits were reduced in 43 cases, resulting in \$193,000 in savings to the ministry. This is an average of \$4,500 savings per impacted case.

Local Projects:

All regions carry out local projects throughout each year, with emphasis on home visiting clients in selected locales, or reviewing cases of clients whose personal circumstances match high-risk identifiers associated with a propensity for fraud or abuse. Savings from these local projects totalled almost \$3.2 million during the fiscal year.

Compliance Initiatives (excluding CPP):

27 Eligibility Officers	Total Reviews	Ongoing Monthly Reductions	Overpayments (One-Time Saving)	
			#	\$
Required Close or Stop	1,115	\$ 594,985		
Benefits Decreased	349	110,119	107	incl.
Overpayments Only	42	0	42	
Total Impact	1,506	\$ 705,104	149	\$284,365
No Financial Change	3,269			
Total Reviews	4,775			
Impact Rate	32%	x 6.4*		x 1.0
Projected Savings		\$ 4,512,666		\$284,365
Total Projected Savings			\$ 4.80 M	

* Annualized savings based on average stay of 6.4 months on assistance.

SUMMER COMPLIANCE PROGRAM

As in three previous years, the PCE Branch employed Co-op Education university and college students to conduct residency and identification checks on pre-selected low activity BC Benefits files. Co-op students are employed as Program Officers from May through August and their positions are supplemented with other PCE staff who are temporarily assigned to complete the file review and investigative process. Team Leaders are hired to supervise the Program Officers as well as carry out all necessary follow up action. Assistant Ministry Investigators conduct investigations resulting from suspected fraud or abuse.

Significant changes were implemented for 98/99 in an attempt to streamline the program and increase cost savings. A permanent Program Coordinator and administrative support were hired. Assistant Ministry Investigators (AMIs) were added to the teams on temporary assignments. Program sites were expanded to include the Lower Mainland, Victoria, Kelowna and Kamloops. At present, the Lower Mainland is the only permanent program site. The sites outside the Lower Mainland will be rotated yearly to include at least three other regions.

Aside from the residency and identification checks, verification of clients' previous year's Income Tax information is crucial in maximizing the program's cost savings. Data on approximately 6,200 BC Benefits clients was matched with data maintained by Revenue Canada. This was the first data match conducted between Revenue Canada and the ministry.

The following table represents the fiscal year-end statistics for 1998/99:

Summer Compliance Program:

<i>(May-August) 6 Team Leaders, 5 AMIs and 28 Program Officers</i>	Total Reviews	Ongoing Monthly Reductions	Overpayments (One-time Savings)	
			#	\$
<i>Recommended Close or Stop</i>	1,442	\$602,004		
<i>Benefits Decreased</i>	393	\$107,649		
<i>Overpayments only</i>	257			
<i>Overpayments total (inclusive of above categories)</i>			436	\$940,007
<i>Estimated overpayments on "IN" files not yet concluded</i>			412	\$772,106
<i>Total Impact</i>	2,092	\$709,653	848	\$1,712,113
<i>Total Reviews</i>	16,988			
<i>Impact Rate</i>	12%	x 6.4*		x 1.0
<i>Projected Savings</i>		\$4,541,779		\$1,712,113

* Annualized savings based on average stay of 6.4 months on assistance

Total SCP Projected Savings

\$6.25 Million

Sample Fraud Investigations from the SCP

Case 1

For the period between January 1990 and April 1999, a client failed to declare that she was living in a common-law/dependency relationship. Her spouse was gainfully employed during this time; therefore, the client was not entitled to the assistance paid to her during this period.

The client admitted to the allegation, and signed an agreement to repay \$67,436 to the ministry.

Case 2

For a period of four years, a client was receiving assistance while failing to report his assets and correct marital status. The client began receiving benefits in October 1994 and, at that time, failed to declare ownership of his home, currently valued at \$356,000. He also claimed to be single when, in fact, he was married and his spouse was gainfully employed.

The file was forwarded to the Special Investigation Unit and the client was charged with fraud. An attachment of \$36,000 was placed on his residential property.

Case 3

When Program Officers conducted a residency check on a condominium, they noticed that all suites were owner-occupied, although our client had declared paying rent. The client's name was on the front door. When the Program Officers went to the client's suite, the client and a small child met them. The child tugged on the client's leg, and repeated over and over "daddy". Our information was that the client was single. These two inconsistencies prompted a further investigation which resulted in determining that the client was the condominium owner and was married. Also he had attended UBC for four years on full student loans, while receiving BC Benefits. After receiving his degree, he had no difficulty in obtaining full-time employment; however, he failed to report this income to the ministry. The client's BC Benefits file is now closed and charges are being considered. The estimated overpayment is \$20,000.

COMPLIANCE FISCAL PERFORMANCE SUMMARY

<i>CPP (Phase 4)</i>	<i>\$ 9,370,000</i>
<i>Other Compliance Initiatives</i>	<i>\$ 4,800,000</i>
<i>Summer Compliance Program</i>	<i>\$ 6,250,000</i>
<i>Total Compliance Savings</i>	<i>\$20,420,000</i>

ENFORCEMENT

The objective of the Enforcement Program is to reduce the incidence of fraud over time, by proactively investigating and prosecuting offenders.

The Enforcement component of the PCE Branch consists of 41 Ministry Investigators (MIs) and 40 Assistant Ministry Investigators (AMIs).

PCE Branch resources are located in all 9 regions at 19 different sites throughout the Province of British Columbia.

Ministry Investigators (MIs):

The primary function of the MIs is to investigate the most serious fraud referrals that may result in the prosecution of offenders.

The MIs are Special Provincial Constables who perform a complete range of investigative functions: gathering evidence, interviewing offenders and witnesses, preparing and executing search warrants, preparing reports to crown counsel, testifying in court, registering court restitution orders, and preparing affidavits to facilitate the civil debt collection process.

During the 1998/99 fiscal year, 2,269 cases were under investigation by the MIs. As of March 31, 1999, a total of 402 cases were still before the courts, valued at \$7,890,881. In the same period, a total of 194 criminal court cases were concluded, valued at \$2,435,044. In addition, there were 63 criminal court cases awaiting charge approval by crown counsel, and a total of 5 civil court cases were closed with a value of \$310,002.

The MIs are supported by three special prosecutors who prosecute fraud cases under contract with the ministry.

Assistant Ministry Investigators (AMIs):

The primary function of the AMIs is to investigate fraud referrals that result in repayment agreements or civil court action, as opposed to a criminal prosecution.

The AMIs are former, experienced FAWs with an in-depth knowledge of the program Acts, regulations and policy. They receive additional training on investigative techniques, and investigate fraud referrals where the amount of the fraud or other factors determine that prosecution is not in the public interest or is not cost-effective.

The AMIs are authorized to take admitted fraud repayment agreements where the offenders are disqualified from receiving benefits for a period of three months.

The AMIs gather evidence and prepare cases for Small Claims and Supreme Court actions to facilitate the civil debt collection process. During fiscal year 1998/99, the AMIs initiated 53 civil court actions of which 15 judgements were obtained resulting in savings of \$114,347. There were 38 actions still before the courts valued at \$253,962. This is an estimated cost saving of \$368,309.

During the 1998/99 fiscal year, the AMIs had a total of 17,067 cases under investigation. There were a total of 4,054 repayment agreements obtained by the AMIs valued at \$14,898,007.

The average annualized savings by each AMI were \$381,658, due to negotiated repayment agreements and civil court actions.

Technology Improvements:

Child Care Investigation Database

In fiscal year 1998/99, the PCE Branch developed and deployed a Child Care Investigation database in a Personal Computer (PC) environment. The nature of child care investigations result in savings not only to the Child Care Program but also savings in the BC Benefits Programs, as some child care providers are also receiving assistance but are not declaring the child care income.

AMI Developmental Training:

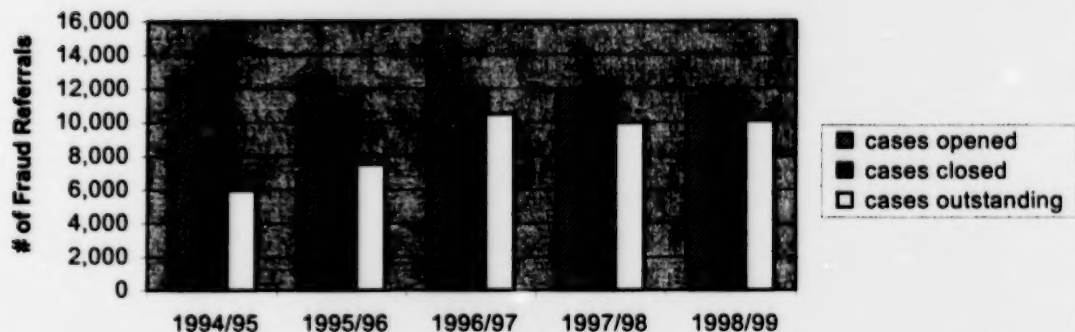
Objective:

To establish a career development training program designed to enhance the knowledge, skills and abilities of selected AMIs. Successful completion of this program would allow the candidate to compete for MI positions.

- *During January 1999, four AMI candidates were successful in being selected for the AMI Developmental Training Program.*
- *Each of the four AMIs was assigned a MI/Regional Supervisor mentor and is presently involved in a yearlong understudy program. The selected AMIs also received a week's instruction at the Justice Institute and are now currently involved in a structured on-site training program.*
- *Each candidate will be required to pass the MI qualification examination as presented by the Justice Institute of BC at the end of the one-year training period.*

Enforcement Program Expected Outcomes:

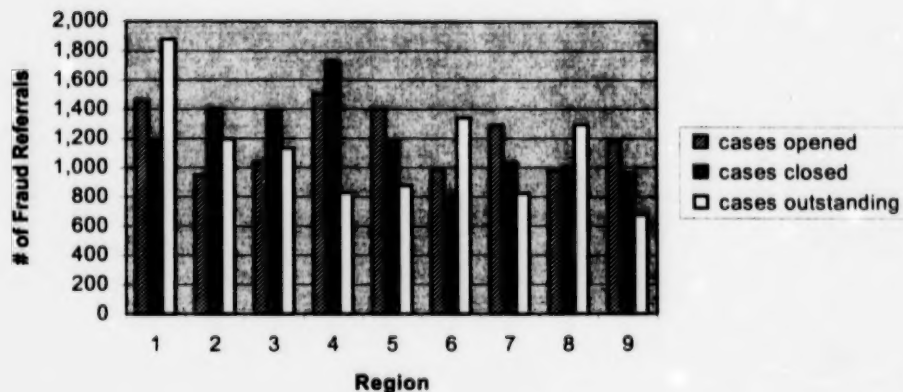
Deterrent Impact	<ul style="list-style-type: none"> • <i>The identification of an offender as having fraudulently received funds acts as a deterrent for future fraud, as the person has an expectation of being discovered a second time.</i> • <i>A period of three months disqualification for civil court judgements, criminal convictions or admitted fraud acts as a deterrent, as the offender is penalized for his/her action.</i> • <i>The publication of criminal charges and the function of the Enforcement Program also constitute a deterrent.</i>
Prevention Impact	<i>Investigations often identify program areas that may be susceptible to fraud, which allows the ministry to adopt procedures and make systems changes that will prevent similar future fraud.</i>
Case Closure	<i>As a result of an investigation, benefits are stopped and savings are calculated based on the monthly amount previously paid.</i>
Projected Savings	<i>Ongoing monthly reductions are projected over 6.4 months, which is the average length of time a person remains on assistance.</i>
Benefits Reduced	<i>The savings are equal to the reduction in the monthly benefit paid.</i>

Program Statistics:***Fraud Referrals by Fiscal Years***

<i>Fraud Referrals</i>	<i>1994/95</i>	<i>1995/96</i>	<i>1996/97</i>	<i>1997/98</i>	<i>1998/99</i>
<i>cases opened</i>	12,747	12,746	14,864	11,963	11,449
<i>cases closed</i>	14,684	11,221	11,902	12,474	11,318
<i>cases outstanding</i>	5,986	7,511	10,473	9,962	10,093

- *Investigations are prioritized by the type of offence and the dollar amount of the fraud.*
- *Out of 11,318 cases investigated this fiscal year, 588 investigations were completed, where the fraud amount was in excess of \$10,000.*
- *Uncompleted investigations are carried over into a new year due to the heavy volume of fraud referrals.*

Fraud Referrals by Regions



<i>Fraud Referrals</i>	<i>Region</i>									<i>Total Referrals</i>
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	
<i>cases opened</i>	1,466	950	1,041	1,510	1,409	991	1,292	987	1,176	10,822
<i>cases closed</i>	1,166	1,404	1,389	1,726	1,181	799	1,033	1,000	960	10,656
<i>cases outstanding</i>	1,879	1,196	1,133	829	877	1,340	822	1,295	675	10,046

- *This graph and chart depict only regional referrals and do not include the data from the Special Investigation Unit and the Compliance Program.*

Fraud Referrals by Type

Types of Investigation Cases Opened in Fiscal Years

<i>Fraud Type</i>	<i>1994/95</i>	<i>1995/96</i>	<i>1996/97</i>	<i>1997/98</i>	<i>1998/99</i>
<i>Duplicate assistance</i>	589	602	481	263	172
<i>False identification</i>	250	280	215	155	109
<i>False address</i>	856	840	1,006	750	667
<i>Total</i>	1,695	1,722	1,702	1,168	948
<i>Undeclared income</i>	5,474	6,073	9,015	6,836	7,104
<i>Undeclared assets</i>	263	225	340	283	295
<i>Total</i>	5,737	6,298	9,355	7,119	7,399
<i>Dependent status</i>	560	594	752	574	545
<i>Common-law</i>	1,254	1,075	952	791	767
<i>Lost/stolen cheques</i>	951	953	716	987	934
<i>Miscellaneous</i>	850	863	1,360	1,309	846
<i>Assisted - Out of Province</i>	32	183	27	15	10
<i>Total</i>	3,647	3,668	3,807	3,676	3,102

Note: Duplicate assistance, false identification (multiple identity fraud) and false address are assigned priority.

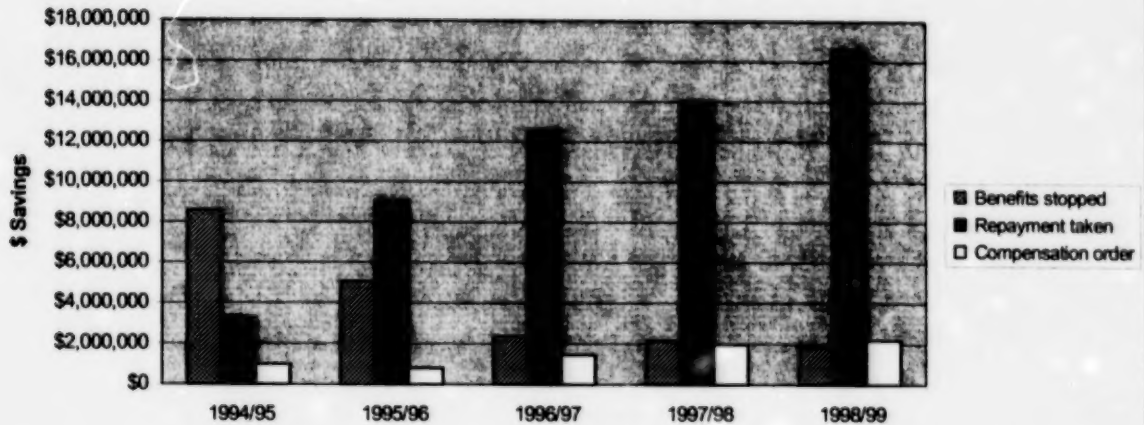
% Of Total Referrals by Fiscal Years (column totals may be rounded to 100%)

<i>Fraud Type</i>	<i>1994/95</i>	<i>1995/96</i>	<i>1996/97</i>	<i>1997/98</i>	<i>1998/99</i>
<i>Duplicate assistance</i>	5.3%	5.1%	3.2%	2.2%	1.5%
<i>False identification</i>	2.3%	2.4%	1.4%	1.3%	0.9%
<i>False address</i>	7.7%	7.2%	6.8%	6.3%	5.8%
<i>Undeclared income</i>	49.4%	52.0%	60.5%	57.1%	62.0%
<i>Undeclared assets</i>	2.4%	1.9%	2.3%	2.4%	2.6%
<i>Dependent status</i>	5.1%	5.1%	5.1%	4.8%	4.8%
<i>Common-law</i>	11.3%	9.2%	6.4%	6.6%	6.7%
<i>Lost/stolen cheques</i>	8.6%	8.2%	4.9%	8.3%	8.2%
<i>Miscellaneous</i>	7.7%	7.4%	9.1%	10.9%	7.4%
<i>Assisted - Out of Province</i>	0.3%	1.6%	0.2%	0.1%	0.1%
	100 %	100 %	100 %	100 %	100.0%

Note: Undeclared income continues to be the highest fraud referral category.

The low referral rate for common-law fraud is primarily due to the lower priority afforded this fraud type. The reduced percentages in duplicate assistance and false identification may be a result of the introduction of the **Identification Guide** as a prevention initiative.

Value of Savings Through Investigations by Fiscal Year



<i>Value of Savings</i>	<i>1994/95</i>	<i>1995/96</i>	<i>1996/97</i>	<i>1997/98</i>	<i>1998/99</i>
<i>Benefits stopped</i>	\$8,583,680	\$5,075,840	\$2,393,028	\$2,188,764	1,886,080
<i>Repayments taken</i>	\$3,296,714	\$9,065,140	\$12,638,576	\$14,048,571	16,606,675
<i>Compensation orders</i>	\$994,269	\$801,085	\$1,474,641	\$1,966,187	2,198,153
<i>Civil Court orders</i>					145,349
TOTAL	\$12,874,663	\$14,942,065	\$16,506,245	\$18,203,522	20,836,257

Note: Civil Court Proceedings initiated in 1998/99.

In the past, the enforcement staff concentrated their efforts toward simply stopping ongoing overpayments. Starting in fiscal year 1995/96, their efforts were targeted toward repayment agreements and charges. In addition, as the number of criminal convictions increased, so did the number and dollar amount of court-ordered compensation orders. In fiscal year 1998/99, enforcement staff initiated civil court proceedings to further facilitate the debt collection process.

Summary of Cost Savings

<i>Investigator</i>	<i>Cases</i>	<i>Description</i>	<i>Cost Recovery</i>
<i>MI</i>	<i>123</i>	<i>Court Compensation Orders</i> <i>The court orders the offender to repay the ministry after conviction.</i>	<i>\$ 2,198,153</i>
<i>MI & AMI</i>	<i>20</i>	<i>Small Claims Court Compensation Orders</i> <i>The Small Claims Court orders the offender to repay the ministry.</i>	<i>\$ 145,349</i>
<i>MI & AMI FAW</i>	<i>5,744</i>	<i>Repayment Agreements</i> <i>The offender agrees to repay the ministry for the amount of the fraudulent overpayment.</i>	<i>\$16,606,675</i>
<i>MI & AMI</i>	<i>421</i>	<i>BC Benefits File Closed</i> <i>As a direct result of the investigation, the BC Benefits case file is closed.</i>	<i>\$ 1,886,080</i>
<i>TOTAL</i>	<i>6,308</i>		<i>\$20,836,257</i>

<i>MI - Ministry Investigator</i>	<i>MI - 167 repayment agreements, value \$ 825,987</i>
<i>AMI - Assistant Ministry Investigator</i>	<i>AMI - 4,054 repayment agreements, value \$ 14,898,007</i>
<i>FAW - Financial Assistance Worker</i>	<i>FAW - 1,523 repayment agreements, value \$ 882,681</i>

Court Cases by Fiscal Years

<i>Criminal Enforcement</i>	1994/95	1995/96	1996/97	1997/98	1998/99
<i>Cases before the court as of April 1</i>	115	154	261	421	447
<i>Cases Charged</i>	158	248	333	263	155
<i>Cases Closed</i>	-119	-141	-231	-253	-197
<i>Total Outstanding</i>	154	261	363	431	405
<i>Reporting Delay</i>	-	-	58	16	Unknown
<i>Total</i>	-	-	421	447	405+

<i>Civil Enforcement</i>	1994/95	1995/96	1996/97	1997/98	1998/99
<i>Cases before the court as of April 1</i>					0
<i>Cases Charged</i>					59
<i>Cases Closed</i>					-20
<i>Cases Outstanding</i>					39
<i>Reporting Delay</i>					Unknown
<i>Total</i>					39+

Note: The ministry initiated Civil Enforcement Actions in 1998/99.

- ***The 405 criminal charges currently before the courts are associated with a \$7,911,332 loss to the ministry in fraudulently obtained benefits.***
- ***The 59 Civil Court actions are associated with \$415,860 loss to the ministry.***
- ***It takes an average of 14 months to process a case through the courts.***
- ***Investigations have been completed in 64 additional cases, valued at \$927,583, and are waiting charge approval by crown counsel.***

<i>Investigation Close Codes</i>		<i>% of Total</i>
11	<i>Unfounded</i>	12.7%
21	<i>Insufficient Evidence</i>	9.4%
22	<i>Evidence Unobtainable</i>	3.2%
23	<i>Cannot Locate Client</i>	0.4%
24	<i>Close BC Benefits Case</i>	3.7%
31	<i>Out-of-Court Settlement (REPAYMENT AGREEMENT)</i>	38.5%
32	<i>Ministry Imposed Overpayment</i>	12.3%
41	<i>Convicted</i>	1.5%
42	<i>Acquitted</i>	0.0%
43	<i>Stay of Proceedings</i>	0.4%
51	<i>Stale-dated Cases</i>	17.0%
	<i>Other Close Codes</i>	0.9%
		100.0%

Sample Fraud Investigations:

Case 1

- *Between 1987 and 1996 a client was receiving ministry assistance while employed full-time in a service industry.*
- *During this nine-year period, the client failed to report any earnings from this employment.*
- *An investigation identified the fraud amount to be in excess of \$90,000. Charges for fraud over \$5000 resulted in a guilty plea, with the client receiving a one-year conditional sentence plus an order to pay restitution to the ministry.*

Case 2

- *For a period of five years, a client received assistance from the ministry totalling over \$35,000.*
- *An investigation revealed that the client failed to declare in excess of \$1,000,000 in assets and income.*
- *Court prosecution is pending.*

Case 3

- *A client receiving ministry assistance, which included extra income for a disability (blindness), was identified by another agency driving an automobile.*
- *A full investigation revealed that the client would drive up to the benefit office, exit the car and produce a white cane. The client then would enter the benefit office, feign blindness and pick up the benefit cheque.*
- *Upon exiting the benefit office, the client would be seen reading the cheque and then driving away from the office in the car.*
- *Charges of fraud over \$5,000 have been laid and the matter is now before the court.*

Case 4

- *For a period of 15 years, a client collected assistance while failing to report income from a common-law relationship along with other assets.*
- *The client was charged with fraud, entered a guilty plea and received a sentence of 15 months in prison. The court also ordered the client to pay \$130,000 restitution to the ministry.*

Case 5

- *Between 1979 to 1999 a client collected income assistance but failed to report income and assets. A lengthy investigation revealed the client had purchased property, and travelled extensively throughout the world.*
- *The client also failed to report access to income from his spouse for the 20-year period.*
- *The investigation revealed that the client received over \$240,000 in benefits to which he was not entitled.*
- *Court prosecution is pending.*

Debt Collection:

Large value fraud investigations often identify valuable assets in the possession of an offender. When the amount of the fraud exceeds \$10,000, the offender is no longer receiving assistance, and if assets, such as property or cash, have been identified, the ministry files a civil caveat against the asset and commences civil litigation to recover the funds obtained by fraud.

Based on evidence obtained during the criminal investigation, the ministry has commenced civil litigation in 22 cases, with a total fraud amount of \$903,283..

The criminal charge and the civil collection are processed at the same time, priority is afforded to criminal prosecution and care is exercised to ensure that the criminal prosecution is not placed in jeopardy.

Special Investigation Unit (SIU):

- *The SIU consists of a supervisor, four MIs, two EOs, two CPIC clerks, and one administrative support person.*
- *The SIU is targeted at complex, multi-jurisdictional criminal offences that require investigative action in more than one region.*
- *The EOs are utilized to process data match material prior to a referral to the ministry district offices.*
- *The unit also manages the outstanding warrants verification process - refer to the prevention initiative "Disentitlement for an Outstanding Indictable Warrant."*
- *The unit is responsible for the development and maintenance of co-operation and liaison with other government and private agencies.*

The following investigations have been, or are being, conducted by the SIU staff:

- *An investigation involving six people using multiple identification to open BC Benefit files. The group was responsible for \$128,000 in fraud against the ministry. One member of the group has been charged and sentenced in the court system. This person received a one-year conditional sentence and was ordered to pay full restitution to the ministry.*
- *An investigation involving two people passing counterfeit BC Benefit cheques. These cheques were superior quality and passed close scrutiny by the banks. The SIU staff were responsible for identifying the suspects and gathering the evidence to support the charge. Warrants have been issued in this case.*

ENFORCEMENT FISCAL PERFORMANCE SUMMARY

<i>Benefits Stopped</i>	<i>\$ 1,886,080</i>
<i>Repayments Taken</i>	<i>\$ 16,606,675</i>
<i>Compensation Orders</i>	<i>\$ 2,198,153</i>
<i>Civil Court Orders</i>	<i>\$ 145,349</i>
<i>Total Enforcement Savings</i>	<i>\$ 20,836,257</i>

***Mel Weisgerber, Director
Prevention, Compliance and Enforcement Branch
Ministry of Human Resources***

**PREVENTION, COMPLIANCE AND ENFORCEMENT
BRANCH CONTACT LIST**

<i>PCE Office and Contact</i>	<i>Phone and Fax</i>	<i>Address</i>
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PCE Unit - Lower Mainland/Coast		
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PCE Unit - Fraser North/Upper Valley		
Sharon Smith	(604) 527-1200 (Phone)	200 - 906 Roderick Avenue
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PCE Unit - Fraser South		
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PCE Unit - Okanagan/East and West Kootenays		
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PCE Unit - Prince George/the North		
Neil Thomson	(250) 565-7278 (Phone)	606 - 299 Victoria Street
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PCE Unit - Vancouver Island North		
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